

NEIGHBORHOOD HOUSING REVITALIZATION AND  
DISPLACEMENT: AN APPRAISAL OF ATLANTA'S  
GRANT PARK NEIGHBORHOOD HOUSING  
SERVICES PROGRAM

A DEGREE PAPER  
SUBMITTED TO THE FACULTY OF ATLANTA UNIVERSITY  
IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR  
THE DEGREE OF MASTER OF PUBLIC ADMINISTRATION

BY  
MATTHIAS UDIE

ATLANTA, GEORGIA

MAY 1984

R=V T=52

## TABLE OF CONTENTS

LIST OF TABLES .....	iv
LIST OF FIGURES .....	v
I. INTRODUCTION .....	1
Housing Abandonment .....	2
Condominium Conversions .....	3
Reinvestment-Induced Displacement .....	3
II. THE PROBLEM AND ITS SETTING .....	7
Background History of the Agency .....	7
Neighborhood Housing Services (NHS) .....	8
The NHS Program .....	9
Neighborhood Residents' Role .....	10
Financial Institutions' Role .....	11
City Government Role .....	12
Grant Park Neighborhood: Background Information .....	12
The Grant Park Neighborhood Housing Services..	13
Internship Experience .....	14
III. STATEMENT OF THE PROBLEM .....	16
IV. METHODOLOGY .....	19
Limitations of the Study .....	20
V. REVIEW OF RELEVANT LITERATURE .....	22
Theory of Housing Filtration .....	24
Causes of Filtering .....	25
Macro-Level Forces .....	25
Population Growth .....	25
Rising Incomes .....	25
Obsolescence .....	26
Government Activities .....	26
Micro-Level Forces .....	27
Physical and Social Deterioration .....	27
Red-Lining .....	27
VI. AN ANALYSIS OF THE ADVANTAGES AND DISADVANTAGES OF REINVESTMENT IN GRANT PARK .....	31

VII. CONCLUSION .....	45
Recommendations .....	46
APPENDICES .....	48
BIBLIOGRAPHY .....	51

## LIST OF TABLES

1. Grant Park: Residential Sales for 1976 Through 1982 .....	32
2. Residential Sales Summary for Grant Park, West End, and Westview.....	33
3. Grant Park: Owner-Occupied and Renter-Occupied Housing .....	41

LIST OF FIGURE

1. Four Phases of Neighborhood Reinvestment .....	36
---	----

## I. INTRODUCTION

Most adult homeowners in America make decisions frequently about their housing. The result of this constant assessment of the housing market is that 20 percent of Americans move every year. Among renters and low-income households, the frequency of moves is even higher. Available data indicate that most moves are local.<sup>1</sup> In essence, most people are not leaving town but simply changing their addresses within the same metropolitan area. For the central city, these moves have resulted in a huge population loss, as residents (mostly whites) have drifted to the suburbs.

For the purpose of clarity, it is necessary to distinguish between three categories of movers. For the first category, the decision is voluntary - moving to the rural area or the city, moving into an apartment instead of a house or vice versa, a new job, or simply changing to something new. This category of movers can plan ahead on the desired move, usually at their own convenience. Hence, these are voluntary moves and may not result in disruptions. It can be concluded that deliberate moves of this nature are made by individuals who have a reasonable amount of financial independence. The second category engages in voluntary moves as well, but for more compelling

---

<sup>1</sup>John Lachmann and Tony Downs, "The Role fo Neighborhoods in the Metropolis," St. Louis, June 6-8, 1977.

reasons. The last category includes low-income families, renters, the elderly, and ethnic minorities who are involved in involuntary moves. 'Forced' moves have occurred mostly in large urban neighborhoods where, since 1960, the housing market has undergone several changes.<sup>2</sup> These unpredictable shifts have been contributing factors to the following major changes in America's urban housing market: housing abandonment, conversions of rental housing to condominiums and cooperatives, and reinvestment-induced displacement which this study focuses on. The essence of these major changes are discussed below.

### Housing Abandonment

Housing abandonment became a problem in the middle to late 1960s in several large cities in the East and middle Western United States, where both landlords and tenants began to abandon large numbers of residential units. A study for the American Institute of Planners indicates that the central city out-migration trend of 1950-1969 continued through the first half of the 1970s. The study also reveals that central cities, which contained about 39 percent of the United States population in 1950, housed less than 30 percent of Americans in 1975. During the five-year period ending in 1975, net out-migration flow resulted in the loss of seven million people from central cities, with nearly six million of these moving to the suburbs and the remainder to non-metropolitan areas.<sup>3</sup>

---

<sup>2</sup>Mary Nenno and Paul Brophy, Housing and Local Government (Washington, D.C.: Municipal Management Series, 1982), pp. 38-42.

<sup>3</sup>George Sternlieb and J.W. Hughes, "New Regional and Metropolitan Realities of America," Journal of the American Institute of Planners (July 1977):68-84.

### Condominium Conversions

A 1980 Department of Housing and Urban Development study found that widespread conversions of rental properties to condominiums began about 1970. By the end of 1979, 1.3 percent of the country's occupied rental housing units had been converted to condominiums with large variations among metropolitan areas.<sup>4</sup> Rental property owners are motivated to convert because the return on the sale of their properties for conversion far exceeds rental income and other alternatives. With mounting citizen complaints focused on the displacement issue, many state and local governments have reacted with regulatory laws governing condominium conversion. The HUD report found that about half the states have legislated protection for tenants in converted buildings and for purchasers of both new and converted condominium units.

### Reinvestment-Induced Displacement

As upper- and middle-income families abandoned cities for the suburb over the last two decades, they often left behind a decaying central city core, increasingly populated by the poor, the elderly, and ethnic minorities. However, beginning in the mid 1970s, numerous instances of spontaneous inner-city neighborhood renovation and revitalization have been occurring. This new dynamic suggests that central cities may be in the process of

---

<sup>4</sup>U.S. Department of Housing and Urban Development, Report on the Conversion of Rental Housing to Condominiums and Cooperatives: A National Study of Scope, Causes and Impacts (Washington, D.C.: Government Printing Office, 1980), p. ii.



resurging from decay. Reinvestment has many potential benefits. The economic health of cities experiencing reinvestment may improve and, in the process, help conserve existing capital investment in housing and neighborhood infrastructure. This can in turn reduce the demand for federal government funds to help local governments whose revenues are declining while public service demands increase. By reducing transportation needs and promoting the conservation of suburban land through the funneling of new housing demand into the existing stock, the revival of inner-city neighborhoods might also help energy conservation efforts.

While it is widely accepted that central cities can benefit from the new wave of reinvestment, there is also concern for low-income residents who get displaced from their neighborhoods, as they find themselves unable to compete in the inflated housing market. Both homeowners and renters are vulnerable to the economic pressures of speculation and rehabilitation; however, renters are usually more susceptible. The displacement phenomenon has created concern for many planners and neighborhood groups, and has received widespread attention in the press. In the summer of 1977 a front-page article in the New York Times sharply contrasted the situation of a young professional white couple who had bought a home in the Adams-Morgan neighborhood in Washington, D.C. with intent to rehabilitate it, with the plight of a poor black woman soon to be evicted from an \$85 per month apartment in the same neighborhood.<sup>5</sup> The writer of the

---

<sup>5</sup>New York Times, June 5, 1977, p. 1.

article also observed that similar trends existed in many other cities, among them the Park Slope section of Brooklyn, Queens Village in Philadelphia and Boston's South End. However, it seemed most acute in the Adams-Morgan neighborhood where developers and speculators bought rows of deteriorated housing units resulting in the displacement of scores of poor residents. About a month later, a Times editorial stated that, "The much-hoped-for miracle of revival in older city neighborhoods is having an unanticipated victim: the urban poor."<sup>6</sup> The editorial urged that federal and local programs be redirected to minimize the unanticipated side effects of urban revitalization.

An article which was published in the Atlanta Journal on November 24, 1980 gave an account of an elderly Grant Park neighborhood couple, on a combined income of \$500 a month who:

... fell victim to neighborhood revitalization, when two successive landlords decided the advantages of ownership paled beside the going price for hot property.<sup>7</sup>

This same couple later was able to buy a two-bedroom bungalow in the same neighborhood because Grant Park Neighborhood Housing Services, Inc. bought it and financed the resale at the comparatively low interest rate of 6 percent. The writer of the article noted that no one had documented the number of tenants forced out of housing units by new owners over the past decade in the Atlanta neighborhoods of Inman Park, Candler Park, Midtown, and Grant Park.

---

<sup>6</sup>New York Times, July 1, 1977, p. A22.

<sup>7</sup>Atlanta Journal, November 24, 1980, p. 1B.

The Neighborhood Housing Services partnership was created in 1976 to arrest the decline of housing units within Grant Park by attracting investment in housing to the neighborhood. This partnership has revitalized the area and prevented its imminent deterioration. However, reinvestment has created some problems for the neighborhood. This study therefore examines the advantages and disadvantages of reinvestment in housing in Grant Park and offers recommendations that would address the problems that have resulted from the revitalization process.

## II. THE PROBLEM AND ITS SETTING

### Background History of the Agency

The Neighborhood Reinvestment Corporation Act of 1978 established a congressionally chartered public corporation charged with the responsibility of developing neighborhood rehabilitation programs and of identifying, testing, and replicating local private partnerships for neighborhood preservation.<sup>9</sup> The Neighborhood Reinvestment Corporation (referred to hereafter as Neighborhood Reinvestment) succeeded the Urban Reinvestment Task Force, which had been created by interagency agreement between the Federal Home Loan Bank Board (referred to hereafter as the Bank Board) and the Department of Housing and Urban Development.

The Bank Board determined during the late 1960s that a program should be designed to help the Bank Board and the Federal Home Loan Banks respond to the needs of urban areas and to make the savings and loan industry more responsive to national housing policy. This resulted in the creation of the Bank Board's Center for Executive Development (CED), in November 1970. The Center for Executive Development began its task by holding workshops in several cities in order to bring community leaders, local government officials, and lenders together to discuss neighborhood housing concerns and possible solutions. The CED staff worked for

---

<sup>9</sup>Housing and Community Development Amendments of 1978, October 31, 1978, 42 USC 8101.

almost a year on a variety of approaches to increase the involvement of savings and loan associations in urban lending. It was during this period that CED came up with the idea and program which have become the backbone of Neighborhood Reinvestment's activities - Neighborhood Housing Services.<sup>9</sup>

In 1974, the Urban Reinvestment Task Force was created out of the staff of the Center for Executive Development. An inter-agency agreement between HUD and the Bank Board provided funding and organization for the Task Force from 1974 to 1979, when Neighborhood Reinvestment formally began functioning. Unlike other federally established bodies, Neighborhood Reinvestment does not set up and manage neighborhood activities. Its primary role is in the developmental process and in educational programs leading to the establishment of local Neighborhood Housing Services programs.<sup>10</sup>

#### Neighborhood Housing Services (NHS)

The Neighborhood Housing Services (NHS) concept had its beginning in Pittsburgh, Pennsylvania. During the late 1960s, two groups in Pittsburgh became concerned about deteriorating conditions in residential neighborhoods. One of the groups, formally known as Citizens Against Slum Housing, met with government officials in an effort to develop a plan to save their central

---

<sup>9</sup>Neighborhood Reinvestment Corporation Administrative Manual No. 2.0, March 1, 1982.

<sup>10</sup>U.S. Department of Housing and Urban Development, Office of Policy Development and Research, Creating Local Partnerships (Cambridge: Urban Systems Research and Engineering, Inc., 1980), pp. i-iii.

northside neighborhood. At the same time, leaders of several lending institutions were seeking ways to contribute their skills and resources. With the help of the Mayor's Office, these leaders and the citizens were brought together. The result of this dialogue was the creation of Neighborhood Housing Services, Inc. of Pittsburgh in 1968.<sup>12</sup>

### The NHS Program

Most Neighborhood Housing Services organizations are organized along similar lines. An NHS program is a locally-funded non-profit corporation that combines commitments of local government, financial institutions, and local residents to work on housing and neighborhood improvements. The Urban Reinvestment Task Force is the catalyst of each NHS program. The Task Force's role is to help interested local groups develop a partnership of lenders, city officials, and residents. The Task Force also raises operating funds and forms an NHS organization, whereas the local partnership group selects a neighborhood and undertakes its own neighborhood preservation program, generally based on the successful program models which NHSs have been operating in other cities.

Each NHS has a board of directors consisting of representatives from the partnership's three groups. The board sets policy, directs the staff, raises operating funds, and encourages continued cooperation among the partners. The programs have small

---

<sup>11</sup>Neighborhood Reinvestment Corporation Administrative Manual, Section 2.1.

staffs consisting of an executive director, a housing rehabilitation specialist, and an administrative assistant/secretary. This staff coordinates day-to-day activities.<sup>12</sup>

All NHS programs have as their main goal, the development of the neighborhood, primarily through housing improvements. Different strategies are available for bringing about these improvements, but the major role of the organization consists of aiding property owners identify what needs to be done to their houses and to help facilitate the financing of the rehabilitation. The NHS program administers a revolving loan fund for owners who cannot secure conventional financing. Each program has a loan committee which determines the lending policies and decides on each household's loan eligibility and on the size, interest rate and all other terms of the loans. The program can as well make referrals for residents who have been determined "bankable" by the NHS contact person at each of the participating financial institutions.

#### Neighborhood Resident's Role

In all NHS, neighborhood residents are represented on the newly formed NHS board. According to Ahlbrandt and Brophy, this involvement is necessary for the following reasons:

1. to emphasize the point that part of the partnership responsibility for neighborhood stabilization lies with the people living in the area;

---

<sup>12</sup>Roger Ahlbrandt and Paul Brophy, "Neighborhood Housing Services: A Unique Formula Proves Itself," Journal of Housing (January 1976):36.

2. to visually communicate to financial institutions and the city government that neighborhood pride exists;
3. to facilitate the acceptance of a code enforcement program in the neighborhood;
4. to help gain acceptance of the NHS program and its goals in the neighborhood;
5. to stimulate reinvestment through peer group pressure; and
6. to focus on other problems critical to the reinvestment decision of propertyowners, such as the quality of neighborhood schools.<sup>13</sup>

#### Financial Institutions' Role

Financial institutions need to get involved for the following reasons:

1. to make conventional loans available in the neighborhood; not loans to poor credit risks, but loans normally made in sound neighborhoods;
2. to underwrite the operating budget;
3. to participate in the program by serving on the NHS board of directors and on the loan committee; and
4. to help raise the high-risk revolving loan funds.<sup>14</sup>

---

<sup>13</sup>Ibid., p. 37.

<sup>14</sup>Ibid., p. 37.



### City Government Role

City government is crucial for the following reasons:

1. to participate on the site selection committee (assuming the neighborhood has not been preselected) and to make available data to facilitate the selection process;
2. to accept the fact that the program is not a city program and that the city is only one actor participating in the program's implementation;
3. to conduct a systematic program of housing inspection and code enforcement in the neighborhood. Code enforcement provides a tool to stimulate desired investment behavior by all property owners in the neighborhood;
4. to make needed public improvements in the neighborhood; this demonstrated commitment on the part of the public sector is vital to changing the investment mentality of citizens and financial institutions toward the neighborhood.<sup>15</sup>

### Grant Park Neighborhood: Background Information

Grant Park is one of Atlanta's older neighborhoods and was built as a middle income neighborhood around 1900. The neighborhood is located in the southeast section of the City of Atlanta. As defined by its civic organizations and the City of Atlanta, its boundaries are: Kelly and Primrose Streets on the West; the Atlanta and West Point Railroad on the south and east; and Memorial Drive, including Oakland Cemetery, on the north. The neighborhood area undergoing extensive revival extends north

---

<sup>15</sup>Ibid., pp. 37-38.

only as far as Interstate Highway 20 (see Appendix A).

Grant Park is a community of approximately 10,000 residents. It has a City of Atlanta Recreation Center, swimming pool, and office building for social service agencies, the Georgia-Hill Neighborhood facility. The building houses a City of Atlanta Branch Library, Equal Opportunity Agency (E.O.A.), Fulton County Department of Children and Family Services, a day care center, Y.M.C.A. and Y.W.C.A., and the Neighborhood Housing Services office. The city's only zoo is located in the middle of the neighborhood. Also on the grounds of the zoo is the famous Cyclorama in which the historic "Battle of Atlanta" painting is on display.

#### The Grant Park Neighborhood Housing Services

In the first part of 1975, representatives of the Urban Reinvestment Task Force met with business, government, and community representatives in Atlanta to determine whether a Neighborhood Housing Services program would work in Atlanta. Several other NHS programs had already been developed nationwide and the consensus was that the Atlanta community would both support and benefit from an NHS. Following an introductory workshop at Unicoi State Park and several subsequent meetings, the NHS was launched. The Grant Park neighborhood was chosen as the site for the first NHS project and actual operations began in 1976.

The Grant Park NHS is structured as a state-chartered nonprofit corporation. The by-laws state that the corporation shall be governed by a fifteen-member board of directors

representing all the groups in the partnership.<sup>16</sup> With the expansion in 1982 of NHS services into two other communities, Grant Park NHS has become a part of Atlanta Neighborhood Housing Services (ANHS). The other programs that make up this entity are located in the Westview and West End neighborhoods.

### Internship Experience

The writer served as an intern with Grant Park NHS from summer 1982 to summer 1983 and was assigned the following duties:

1. Data Collection--Data collection was the major responsibility of the intern. Data collected covered the following categories: housing conditions, abandoned housing, housing permit activity, the dollar volume of rehabilitation and reinvestment, crime rates, etc. In addition, other relevant data were also obtained from sources such as census tracts and property tax records from the county tax office. In order to gather these data, the writer made several visits to state and local government offices, libraries, the Census Bureau, and the Grant Park neighborhood.

The assembling of data was essential for two main purposes. The first was that of building a statistical base. This involved the retrieval of different categories of housing data to reflect the general characteristics of the neighborhood; and the arrangement of data in a form that future trends could be followed by upgrading the data. Secondly, data were needed for the day-to-day activities like loan committee meetings,

---

<sup>16</sup>Grant Park Neighborhood Housing Services, Inc., 1982 Program Report.

presentations, etc.

In addition, the writer participated in the following:

(1) taking observatory tours of the neighborhood for first-hand observation of rehabilitation activities such as the identification of property repair needs and the preparation of work specification;

(2) attending some of the scheduled meetings such as the board of directors meeting;

(3) performing light clerical duties at the agency's office.

### III. STATEMENT OF THE PROBLEM

Two types of revitalization are occurring in inner-city neighborhoods: the reinvestment that is undertaken primarily by "outside" middle-class purchasers, commonly referred to as "gentrification," and the upgrading of housing made by long-term residents of urban neighborhoods. Gentrification involves middle-class buyers making substantial investments in housing rehabilitation and is also associated with rapid increases in prices and rents. This type of renovation is responsible for dislocating substantial numbers of low-income and moderate income families. Many minority households and elderly families on fixed incomes find it difficult to compete with the purchasing power of middle- and upper-income singles and couples without children. Although renters usually suffer more, homeowners as well fall victim to the economic pressures of this phenomenon.<sup>17</sup>

Rehabilitation by long-term residents is usually more modest in scale and can also lead to displacement, although at a much smaller scale. Grant Park NHS is a program geared toward renovation by long-term residents of the neighborhood, thus only a few dislocations can be directly caused by the program's activity. Moreover, relocation assistance is available when

---

<sup>17</sup> Among the objectives of Grant Park NHS Home Ownership Promotion (HOP) program is the prevention of displacement and the relocation of any displacees.

displacement results directly from program actions.<sup>18</sup>

However, it is possible that some displacement may be attributable to "secondary" ripple effects of the program and several other sources such as: arson, code enforcement, historic area designation, and highway construction. These are considered displaced moves because the essence of the definition of displacement is the notion of involuntary movement. Displacement might be indirectly caused by the following two program activities:

1. Displacement resulting indirectly from program actions influencing the housing market and altering supply-demand relationships (e.g., a rise in prices of existing stock due to substantial housing renovation in a part of the neighborhood).

2. Displacement resulting from anticipated actions, wholly or partly supported by the program. For instance, a National Urban Coalition study found four phases of reinvestment activity and noted that it was in the third phase, after confidence in the neighborhood had been established thus causing dramatically increased displacement.<sup>19</sup>

Although Grant Park NHS is geared toward renovation by long-term residents of the neighborhood, NHS activities have led to a restoration of confidence in the neighborhood, and has also resulted in gentrification activity. While this input from outsiders is of much benefit to the neighborhood's future stability,

---

<sup>18</sup>Phillip Clay, Neighborhood Renewal (Lexington, Mass.: D. C. Heath Books, 1979), p. 60.

<sup>19</sup>Report on Displacement: City Neighborhoods (Washington, D.C.: National Urban Coalition, 1978), p. 3.

it also has disadvantages, especially for the poor that have always resided in the neighborhood.

Although reinvestment in Grant Park is expected to eliminate red-lining and ensure the upgrading of the housing stock, it has contributed to the following problems, namely: (a) displacement of low income residents and renters, (b) neighborhood resegregation, racial and social class tension, and (c) gentrification.

#### IV. METHODOLOGY

Both primary and secondary data collection techniques were used to obtain the relevant information for this study. Primary data consisted mainly of the writer's experience as a participant-observer in Grant Park NHS during the internship. Field research participant-observation technique-is a research method that has strengths and weaknesses.

One key strength of participatory observation is the comprehensiveness of the perspective it gives the researcher. As an intern with the NHS, the writer had the opportunity to participate in the agency's activities as well as familiarize himself with the neighborhood. This led to a first-hand observation of rehabilitation work that is being undertaken and the state of general blight that still exists within certain segments of the neighborhood. This method of study provides for valid observation and overcomes the problem of superficial measurements.<sup>20</sup>

Participant observation however, does have a potential problem with reliability. In the case of this study, this means that the conclusions reached by another researcher on the reinvestment process in Grant Park may vary from those of this writer. This, however, is only a potential weakness of field research. The real problem of field research is that of

---

<sup>20</sup>Earl Babbie, The Practice of Social Research (Belmont: Wadsworth Publishing Company, 1983), p. 266.



generalizability, especially since this method does not entail sampling.<sup>21</sup>

In addition, secondary data were obtained from mortgage sales, compiled annually by Real Estate Data, Inc. (R.E.D.I. Data Bank), to measure the volume of reinvestment in Grant Park. The dollar value of real estate sales in Grant Park from 1976 through 1982 are compared to two similar Atlanta neighborhoods--West End and Westview. This comparison should determine the amount and significance of housing demand in Grant Park during the years under study.

Data on housing occupancy, compiled annually by the City of Atlanta Bureau of Planning, is also examined. Since the reinvestment process in Grant Park is generally regarded as being in its initial phase, housing occupancy ratios serve as a buttress to this classification and also show the conditions of renters - the earliest identifiable victims of reinvestment. Hence, an increase in owner-occupied units with a proportionate decline in renter-occupied units should reflect the displacement of renters.

#### Limitations of the Study

It is impossible to ascertain at the present the exact number of displacement or "forced" moves due to reinvestment in the Grant Park neighborhood. This is because the data available are estimates based on the wider context of residential moves in general.

---

<sup>21</sup>Ibid.

Drawing from HUD's Annual Housing Survey (AHS), the only available national data base on residential moves, Meek summarizes thus:

According to AHS estimates, an average of approximately 500,000 U.S. households are displaced each year. Fourteen percent are displaced because of government action; the remaining 86 percent because of private activity .... Since the AHS relies on extremely small samples and is admittedly not very accurate when extrapolated to the national level, it may underestimate displacement.<sup>22</sup>

In view of this research hurdle, the writer will rely on shifts in Grant Park neighborhood conditions to identify a displacement problem. In neighborhoods experiencing reinvestment, studies done on displacement have established that the presence of changes in conditions such as those dealt with in this study represent a displacement problem. For large urban neighborhoods experiencing reinvestment, the crucial conditions to measure include market indicators and physical change.<sup>23</sup>

---

<sup>22</sup>Charles Meek, "Public Displacement from 1952-1977." (Working Paper, Office of Community Planning and Development, U.S. Department of Housing and Urban Development.)

<sup>23</sup>National Urban Coalition, Report on Displacement, pp. 5-9.

## V. REVIEW OF RELEVANT LITERATURE

Because of the various circumstances that lead to displacement, the literature on urban revitalization, urban renewal, and neighborhood change contains no agreed upon definition of this phenomenon. Rather, numerous definitions abound, each placing emphasis on a desired focus. While some definitions emphasize displacement due to reinvestment in declining neighborhoods, others fail to distinguish between this cause of displacement and other causes such as disinvestment, abandonment, public acquisition and clearance, code enforcement, or natural disasters. For other definitions emphasis is placed either on the housing unit or on the displacees. What is lacking then is an unambiguous definition that sets standards against which degree of displacement activity and the effect on displacees could be assessed.

For the purposes of this study, the definition that is utilized is one which includes displacement caused by reinvestment in older and deteriorating urban neighborhoods. A definition that meets some of this requirement is that proposed by George and Eunice Grier. They maintain that:

Displacement occurs when any household is forced to move from its residence by conditions which affect the dwelling or its immediate surroundings, and which:

1. are beyond the household's reasonable ability to control or prevent;
2. occur despite the household's having met all previously imposed conditions of occupancy; and

3. makes continued occupancy by that household impossible, hazardous, or unaffordable.<sup>24</sup>

This definition is broad and has some utility but it is not ideal. It focuses on the act of moving, without accounting for the fate of the displacees. Included in the definition are forced moves due to reinvestment, disinvestment, and abandonment. Furthermore, it excludes moves not considered to be displacement, such as defaults on mortgage, rent, or taxes; evictions due to violation of the rental contract; job-related moves; and voluntary (unforced) moves to acquire more suitable housing. These moves are excluded since they do not involve conditions of the dwelling or its immediate surroundings.

For a programmatic definition, such as is needed in the case of the Grant Park NHS program, certain essential elements are necessary. These include the following:

- a. displacement directly caused by the Grant Park NHS program;
- b. secondary displacement associated geographically with Grant Park NHS program;
- c. displacement attributable to private market forces.

With the inclusion of these elements, policy and programmatic responses might be better geared toward displacement in general and the displacees. For instance the NHS program, due to financial limitations or program goals, might deem it necessary to vary its response depending on whether the household is forced to move due directly to the NHS program

---

<sup>24</sup>George and Eunice Grier, "Urban Displacement: A reconnaissance" (Washington, D.C.: U.S. Department of Housing and Urban Development, March 1978), p. 4.

activities or due principally to private market forces, which the program influences indirectly.

### Theory of Housing Filtration

The introduction of this paper includes a brief description of the 1960s problem of innercity housing abandonment. The result of this trend is the spatial concentration of the poor in large urban centers. The theory of housing filtration has guided public policy in the drive to stem the tide of urban abandonment and deterioration. The filtration theory has its sources in the social sciences and is occasionally referred to as "invasion-succession."<sup>25</sup> In urban United States, households of below-average income cannot afford to buy or rent newly built dwelling units without significantly reducing their non-housing expenditures and thereby lowering their non-housing standard of living relative to that of others in the same income class. Most new units are acquired by households of above-average income and these units are constructed on vacant land because improved sites are usually either too expensive or in poor locations. Since most vacant land is at the fringe of urbanized areas, with population growth, the filtering process occurs as the net increase of well-to-do families is accommodated there while the corresponding expansion of less affluent households must be absorbed in the existing stock.<sup>26</sup>

---

<sup>25</sup>See Robert E. Forman, Black Ghettos, White Ghettos and Slums (New Jersey: Prentice-Hall, 1977), p. 10.

<sup>26</sup>See Edward C. Banfield, The Unheavenly City Revisited (Boston: Little, Brown and Company, 1974), Chapter 2.

### Causes of Filtering

The transition of a neighborhood from higher to lower income occupancy takes place either as a result of circumstances occurring in the larger community or because of trends which are neighborhood-specific. The former can be described as "macro" in nature and the latter as "micro."

### Macro-Level Forces

The most significant macro-level forces causing filtering include: population growth; rising incomes; obsolescence of the existing housing stock; and public actions which either directly or indirectly alter housing supply or demand.

### Population Growth

As earlier mentioned, in the United States, only well-to-do families are able to afford newly built homes. As the number of urban households increase, the result is the filtering down of existing stock. Whenever the behavior patterns of the lower income families are different, this would have the additional effect of causing the neighborhoods to lose some of their attractiveness both to established residents and to potential buyers or renters, thereby accelerating the filtering process and exerting more pressure for new construction.

### Rising Incomes

Rising real incomes and the attendant demand for and construction of new units is considered the major cause of filtering. In this case, construction tends to be stimulated both by

those whose higher incomes bring them into the new home market and by those who, because of an increased demand for better accommodations, are able to realize significant profits from the sale of their own homes.

### Obsolescence

There are several different types of obsolescence affecting the housing market: structural, equipment, site, and locational. Over time, either because of improvements in available goods and services (including housing) or because of shifts in consumer preferences, these features in the existing housing units may become unsatisfying to consumer demands. For example, new technology has caused the obsolescence of housing units that lack various electrical appliances. Homeowners and landlords invest large amounts yearly in modernizing their units to combat obsolescence, but certain structures are difficult to alter, while little can be done about site or locational obsolescence.<sup>27</sup>

### Government Activities

Subsidized rehabilitation and new construction, clearance for urban renewal, and highway development in recent years have altered substantially the characteristics of the housing stock. For example, units vacated by families moving into newly built dwellings will either filter or remain unoccupied. Where habitable units are removed from the market, as with demolition for urban renewal or highway construction, the results can parallel

---

<sup>27</sup>George Grigsby, Rethinking Housing Policy (Philadelphia: University of Pennsylvania Press, 1980), pp. 36-37.

those of population growth.

### Micro-Level Forces

The micro-level causes of abandonment include: deterioration of the physical environment, perceived or actual deterioration of the social environment, and premature withdrawal of mortgage capital (red-lining).

### Physical and Social Deterioration

The term "deterioration" raises difficult definitional issues especially when used in a relative sense. For instance, if "deterioration" is used to describe the declining position of a given neighborhood in the universe of neighborhoods, then as new residential areas are developed with time, the older ones can be expected to move down on the quality scale. This process of relative decline in quality might be described simply as obsolescence. However, neighborhood deterioration may be usefully defined as an absolute negative change in the physical or social quality of an area.

With respect to the quality of housing stock, physical deterioration results from a failure to provide adequate maintenance resources. Physical deterioration also includes such neighborhood manifestations as an increase in blighting commercial and industrial uses, increased traffic, and disappearance of attractive space. Social deterioration of a neighborhood might include such changes as a growing proportion of problem families, rising crime rates, or a drop in the quality of neighborhood schools and other facilities. Social deterioration might result as well when



a neighborhood's current residents view as undesirable such changes as transition in racial or ethnic composition of a neighborhood's population.

### Red-Lining

Lenders - banks, savings and loan associations, and mortgage companies - are the institutional decision makers in control of private capital needed for real estate purchases, rehabilitation, and new construction in all neighborhoods. The availability of private capital for real estate activities varies among neighborhoods based on the lenders' perceptions about the future of the area and on the credit standing of those desiring to buy properties in the neighborhood. In a red-lined neighborhood, the absence of mortgage funds can cause a reduction in capital values and a shift away from owner-occupancy, since property transactions must be financed on much less favorable terms that are available elsewhere. In addition, immigration of lower income families is facilitated as demand from higher status households is channeled into other areas.<sup>28</sup>

Federal, state, and local governments have been preoccupied with central-city revitalization, at least since 1949 when the first federal program explicitly directed at urban redevelopment was passed by Congress.<sup>29</sup> The theory of housing filtration has guided the formulation of public policy (in such programs as

---

<sup>28</sup>Ibid., pp. 45-46.

<sup>29</sup>Title I of the Housing Act of 1949; first introduced in June 1943, as a Neighborhood Development Bill (S 1163).

Model Cities and Slum Clearance) based on assumptions that neighborhoods evolve in steady, straight-line trends as they mature.

The rediscovery of residential opportunities in the central city is part of the trend in which the pre-eminence of the downtown is being re-established, principally with private sector housing activity. This phenomenon has given rise to "gentrification" which is used to denote the resettlement of professional and middle class homeowners in city neighborhoods. In this type of revitalization, population change is very important, although the physical improvements or reinvestment that occur are also significant. The "gentry" create a neighborhood style that reflects middle class tastes and values; eventually, their tastes and values supplant those of the lower-income population that dominated the area before revitalization.

In view of this new demand for blighted inner city housing however, recent authors have faulted the filtration theory for inadequacy because it does not explain fully these new trends. Following this line of argument, Rolf Goetze seems to totally put aside the filtration theory as expressed in the following:

Planners aspire to manage change, but to be effective they need a better grasp of the dynamics affecting neighborhoods today. However, a new perspective is needed to provide it. For example, the traditional theory of housing filtration, which has guided the formulation of much public policy, no longer seems adequate.<sup>30</sup>

Despite this inadequacy found with the filtration theory however, it still stands as a widely accepted and used framework. William Grigsby for instance, finds less fault with the theory but lays

---

<sup>30</sup> Rolf Goetze, Report on Neighborhood Monitoring and Analysis (Washington, D.C. Department of Housing and Urban Development, 1980), p. 2.

the blame on the numerous programs aimed at halting neighborhood decline for paying little attention to the essential variables of the theory - especially the macro forces involved. He writes:

Neighborhood conservation has been part of the renewal arsenal for more than two decades, and Model Cities, Neighborhood Housing Services, and similar programs have broadened the scope of conservation efforts. While in some instances these programs, all of them dominated by a housing emphasis, have reported moderate success, in general they have produced an unenviable record .... The deterioration which the programs strive to halt involves housing dynamics than a neighborhood focus would seem to imply.<sup>31</sup>

This degree paper is a study of housing investment in Grant Park, a neighborhood that is recovering from physical deterioration. This study examines both the advantages and disadvantages that result from this renewed demand for housing in Grant Park.

---

<sup>31</sup>William Grigsby, Rethinking Housing Policy (Philadelphia: University of Pennsylvania Press, 1980), p. 28.

VI. AN ANALYSIS OF THE ADVANTAGES AND DISADVANTAGES  
OF REINVESTMENT IN GRANT PARK

As a declining neighborhood, Grant Park has gone through severe changes. The neighborhood lost over fifty percent of its population during the past three decades, leading to the problem of abandoned housing. Grant Park had a population of 19,306 in 1950; by 1980, the population dropped to 8,832, representing a decline of 54 percent.<sup>32</sup> With the fall in demand for housing in the neighborhood, lending institutions, which also are investors, have been unwilling to issue mortgages on a long-term basis for fear that the value of property may not be sufficient to protect their loans. Thus, for many years Grant Park has been considered a "high-risk" area and the only avenue available to finance home purchases has been through government insured mortgages.

The data reviewed below shows, however, that Grant Park's image has improved and the neighborhood is rapidly transforming. Demand for housing is rising and lenders are again investing in the neighborhood's housing stock. Table 1 shows the yearly totals of mortgage transactions that clearly demonstrate recovery in Grant Park.

Table 1 shows a large upswing in home sales in Grant Park especially between 1976 and 1980. Housing sales increased

---

<sup>32</sup>Atlanta Regional Commission, "Population and Housing Estimates," September 1980.

TABLE 1

## GRANT PARK: RESIDENTIAL SALES FOR 1976 THROUGH 1982

Year	# of Sales	% Increase from 1976	\$ Volume of Sales	% Increase from 1976
1976	59	-	\$ 572.5*	-
1977	78	32	733.3	28
1978	178	202	1,982.0**	246
1979	193	227	3,357.1	486
1980	200	239	4,369.1	663
1981	148	151	3,754.2	555
1982	86	46	2,599.3	354
Totals	942		\$17,367.5	

\*Dollars in thousands

\*\*Dollars in millions

Source: Real Estate Data, Inc. (R.E.D.I. Data Bank). (For the purposes of real estate record keeping, metropolitan Atlanta is divided into districts, and each district is further subdivided into land lots. Grant Park is located in District 14 - Land Lots 21, 22, 42, and 43. See Appendix B.)

consistently from 1976 to 1980. In 1976, fifty-nine homes were sold for slightly over \$.5 million and the sale of homes in this neighborhood reached a peak in 1980 when 200 homes were sold for more than \$4 million. However, the decline in sales during 1981 and 1982 was due mainly to a nationwide decline in construction and purchases of homes. Overall, Table 1 shows over \$17 million generated in total residential sales in Grant Park between 1976 and 1982.

Grant Park's rapid reinvestment growth is clearly evident from the data in Table 1. There was a dramatic surge in demand

for housing in the neighborhood with a corresponding increase in the volume of annual sales. This reinvestment growth in Grant Park becomes very conspicuous when compared to the volume of home sales in the other neighborhoods that did not become beneficiaries of neighborhood Housing Services until 1982. Table 2 below summarizes the comparisons.

TABLE 2

RESIDENTIAL SALES SUMMARY FOR GRANT PARK,  
WEST END, AND WESTVIEW

	1976 Sales Totals	1982 Sales Totals	% increase from 1976
Grant Park	\$572.5*	\$2,599.3**	345
West End	773.0	1,350.2	75
Westview	502.7	912.8	82
*Dollars in thousands			
**Dollars in millions			

Source: Real Estate Data, Inc. (R.E.D.I. Data Bank), 1983.

Table 2 shows that neither of the three neighborhoods targeted for revitalization attained \$1 million in sales in 1976.. For Grant Park there was a 354 percent increase in 1982 from 1976, a 75 percent increase for West End, and an 82 percent increase for Westview.

The most important factor that has contributed towards the significant growth of housing sales in Grant Park is the confidence established by lending institutions in the value of the neighborhood's property. This confidence has resulted from the

following factors: (1) the inception of the NHS partnership and its activities, and (2) the historical significance, aesthetic attraction, and accessibility of the neighborhood.

The inception of Grant Park NHS in 1976 served as a major catalyst in the renewal of confidence in the neighborhood. This partnership helped to create a demand for housing in the neighborhood. NHS agency has itself provided some financial and technical assistance to neighborhood residents. Two program strategies have contributed to some measure of improved housing in the neighborhood. These strategies include the High-Risk Loan Fund and the Home Ownership Promotion Program (H.O.P.P.).

(i) The High-Risk Loan Fund--High-risk loans have been made to scores of Grant Park residents who have been unable to secure conventional loans due to their unbankable status. High-risk loans are made towards renovation costs and carry interest rates lower than conventional bank loans. Terms are varied in order to relate the amount of the monthly payment to the repayment ability of the applicants. Grant Park NHS Loan Committee made between thirty-seven and forty high-risk loans between 1977 and 1982.

(ii) The Home Ownership Promotion Program (H.O.P.) was established in 1981 and will be operative through 1983; the H.O.P. program implements a strategy to help area residents keep their rented homes as reinvestment gathers momentum. With the assistance of a Neighborhood Reinvestment grant and an initial \$6

million mortgage fund from the Prudential Insurance Company, loans have been made available to tenants to enable them to buy their own homes in 1983. The City of Atlanta has provided a \$150,000 grant toward the H.O.P. program.<sup>33</sup>

Grant Park's historical features, its convenient midtown location, and aesthetic environment combine to attract a strong home buying market. Unlike West End and Westview neighborhoods, Grant Park is predominantly residential with most of the architecturally unique homes built just after the turn of the century. The neighborhood is also a primary tourist attraction. As indicated earlier, the City of Atlanta's only zoo is located in the middle of the neighborhood. Also on the grounds of the zoo is the famous Cyclorama which houses the historic "Battle of Atlanta" painting, recently renovated at a cost of over \$3 million.

A 1978 national survey study of forty-four cities (including Atlanta) by the National Urban Coalition reveals that neighborhood reinvestment activity follows a pattern of four distinct phases, with durations varying in terms of years. These phases include: (1) start-up phase, (2) buy-in phase, (3) take-off phase, and (4) fill-in phase. Figure 1 below summarizes each phase and attributes.<sup>34</sup>

In 1978 at the time of the study, Grant Park was in the category of neighborhoods identified as experiencing the initial

---

<sup>33</sup>Grant Park Neighborhood Housing Services, Program Summary, Summer 1983, p. 1.1.

<sup>34</sup>National Urban Coalition, Displacement: City Neighborhoods in Transition, July 1978, p. 3.



FIGURE 1

FOUR PHASES OF NEIGHBORHOOD REINVESTMENT

Phase	Neighborhood Attributes	Activities	Results
Start-Up Phase	Diversity of neighborhood. Low cost of housing. Location and accessibility of neighborhood.	First group of investors (mostly owner-occupants). Work may be centered around a few blocks.	
Buy-In Phase	Negative attributes like poor schools, crime and abandoned property are still perceived but there is confidence in investment value.	Activity spreads beyond a few blocks increasing in frequency. Increasing numbers "buy-in."	Homeownership increases substantially. Displacement of renters starts.
Take-Off Phase	Confidence in neighborhood future is established. Evidence of physical change is visible and neighborhood is "a good place to live."	Speculative reinvestment activity increases significantly. People attracted seek more security and status than previous groups.	Maximum displacement impact occurs.
Fill-In Phase	Dramatic evidence of physical change visible. Rehabilitation of entire neighborhood is inevitable.	Few unimproved property still standing is bought and improved.	Property values rise dramatically. Property taxes rise to reflect changed valuation. Related homeowner displacement occurs.

Source: National Urban Coalition, Displacement: City Neighborhoods in Transition, July 1978, p. 3.

phases of reinvestment. At the time of this writing, Grant Park still can be classified as experiencing either the Start-Up or the Buy-In phase; or even a mixture of both. Physical conditions in the neighborhood point clearly to this conclusion. From the writer's experience as an intern with Grant Park NHS, surveys of neighborhood conditions still show large deteriorated areas containing in excess of 100 vacant lots, and several abandoned properties, many of which are eyesores.

Grant Park is a neighborhood in the initial stage of transition from blight to rehabilitation. The new demand for housing has brought about the availability of mortgage and home improvement loans from banks, savings and loan associations, and mortgage companies. These institutions are in control of the private capital needed for real estate purchases, rehabilitation, and new construction in all neighborhoods. Because the availability of private capital for real estate activities varies among neighborhoods based on the lender's perceptions about the future of the particular area and on the credit standing of those desiring to buy properties, some neighborhoods get red-lined - that is, cut off from the flow of private capital. This is the case with every neighborhood prior to the establishment of a NHS program. Thus, the success of a NHS program is in part reflected by how much conventional lending or private capital is returned to the neighborhood. In a 1980 study of NHS neighborhoods, Maynard Robinson and Gary Ferguson found that:

Lender respondents in about half of the 1980 sample NHS cities believe NHS programs have been responsible, at least in part, for lending changes in their neighborhoods,... However,

several concurrent factors may also have contributed to invest in older neighborhoods due to the Community Reinvestment Act and the fact that certain NHS neighborhoods have become focuses of historic preservation activities and or in-migration of middle-income home-buyers.<sup>35</sup>

The volume of mortgage transactions in Grant Park as reflected in the analysis shows that the neighborhood has regained access to private capital. A real estate editorial on Grant Park in the Atlanta Journal in 1982 stated,

In the past six years almost 1000 homes in that area have been upgraded. More than 566 conventional mortgages have been arranged in what was once considered a "high-risk" area and a dozen new homes have been built by private developers and contractors.<sup>36</sup>

The availability of conventional loans makes the upgrading of the housing stock of a neighborhood possible. The editorial above demonstrates that there is a significant amount of improvements in the housing stock in Grant Park. This improvement of housing units by middle-income developers and home buyers has another advantage that accrues as reinvestment progresses.

The major advantage that results from improved housing is the generation of property taxes. Increased and improved housing means adjusted property assessments later as speculation intensifies and property values spiral. However, the neighborhood gains from the beginning of the upgrading process. Through this process, Grant Park is benefitting from an increase in the

---

<sup>35</sup> Maynard T. Robinson and Gary D. Ferguson, Evaluation of the Urban Reinvestment Task Force (Cambridge, Mass.: Urban Systems Research and Engineering, Inc., 1980), p. 86.

<sup>36</sup> Atlanta Journal, October 1982, p. 2-C.

purchase of rehabilitation services and materials, and the creation of renovation jobs. As reinvestment matures, property values rise and this leads to tax advantages. The city, in effect, gains from both property tax assessments and from sales taxes from the frequent sales and resales of property that characterizes speculative activity. Several cities have experienced this phase of value changes in property. In his study of neighborhoods, Phillip Clay states that,

In Washington and San Francisco, for example, prices are rising at a feverish pace. Routine sales and resales at more than \$150,000 per structure are not unusual, and few structures in these neighborhoods now sell for less than \$70,000. The price increase is fed by speculation and a high level of optimism about the neighborhood future. There is also the feeling that prices will be still higher in the future.<sup>37</sup>

The reinvestment activity in Grant Park has not reached the speculative stage; however, current trends warrant a drastic change in property values later. For instance, the median value for a home rose from \$10,000 in 1970 to \$21,000 in 1980.<sup>38</sup>

An upgraded housing stock also represents an advantage to the city's plans to attract tourists to Grant Park's zoo and Cyclorama. As stated earlier in this study, these advantages are also accompanied by certain disadvantages.

The growth of reinvestment in Grant Park also has disadvantages that could totally offset the advantages enumerated above. Gentrification, as explained earlier in this study,

---

<sup>37</sup>Phillip Clay, Neighborhood Renewal, p. 53.

<sup>38</sup>Atlanta Regional Commission Estimates, September 1980.

accompanies private-capital-induced reinvestment in mainly low-income areas. The effects of this process - increased housing stock, improved housing stock, increased tax base, increased local prestige, and physical improvements - all accrue to varying degrees, to all groups except the original low-income residents. For most poor individuals, the process leads to displacement. For example, the increase in upgraded or renewed housing in a particular neighborhood has several effects on the original family in rented accommodations.

First, economic pressures on the landlord will tend to increase rents at a higher rate or even results in the loss of tenancy for the family, since the landlord wishes to renovate his house either for rental at a much higher rate or for sale at a higher price. Clearly, such effects constitute a direct economic disadvantage to the low-income family, in terms of the resulting search for alternative low-income accommodations. This move can lead also to a direct social disadvantage as old friendships, kinships, and secondary relationships are broken. A National Urban Coalition study states that:

The National Urban Coalition study, and virtually every other study, found that renters are among the groups most likely to be displaced when a neighborhood begins to improve .... Displacement of low-income people may occur in the earliest stages without anyone in the neighborhood becoming concerned.<sup>39</sup>

Having determined that Grant Park is experiencing the earliest phase of reinvestment (see Figure 1), an examination of the

---

<sup>39</sup>Report on Neighborhood Transition without Displacement  
(Washington, D.C.: National Urban Coalition, 1979), p. 7.

neighborhood's housing occupancy data would be appropriate in order to determine an increase or decrease in renter-occupancy. The status of renters as compared to homeowners can be inferred from Table 3 below. The data reveal that overall, renter-occupancy decreased by a proportionate 5 percent between 1977 and 1983 in Grant Park. It can be concluded that the decline of renter-occupancy which has started will continue as reinvestment gains momentum.

TABLE 3

GRANT PARK: OWNER-OCCUPIED AND  
RENTER-OCCUPIED HOUSING

	February 1983	Percentage
Total Housing Units	2,888	100
Total Owner-Occupied Units	1,042	36
Total Renter-Occupied Units	1,846	64
	July 1977	Percentage
Total Housing Units	2,970	100
Total Owner-Occupied Units	906	31
Total Renter-Occupied Units	2,064	69

Source: City of Atlanta, Bureau of Planning, "Plan File", 1983.

While overall homeownership for Grant Park increases as the neighborhood recovers from deterioration, homeownership among the original residents decreases. This comes later when the few remaining low-income owners are pressed by increasing taxes, code violations, and "generous offers" from speculators. What displacement means for a neighborhood is summed up by Michael Lang as follows:

As a result ... the newcomers are placed in direct competition with the original residents and their offspring who often wish to remain in the area. It is an unequal competition, since by definition it is the affluent newcomers who will be able to meet the inflated prices charged for housing .... The result is a gradual pushing out of the original residents and a succession to the neighborhood by the newcomers.<sup>40</sup>

Another disadvantage that follows from such competition, as the one being witnessed in Grant Park, is social class tensions within the neighborhood and in outlying areas. Revitalizing neighborhoods generally experience extensive social change whereby existing neighborhood networks and institutions of self-help and social control are broken as clashes of cultures and lifestyles occur.

The New York Times published a story in 1981 about gentrification in Philadelphia's Bella Vista neighborhood which touched on this theme of culture clash. One old-time resident was quoted as saying:

What is happening to Italians is the same thing that happened in Society Hill, where they chased the blacks out, and Queens Village where they chased the poor Poles and Ukranians out. They couldn't compete with the tax base the professionals were setting. Some people make a killing; they get a home they paid \$4,500 for, and they sell it for \$100,000 and go to Jersey. But a lot of others hate what's happening. They think they are going to be pushed out.<sup>41</sup>

In Grant Park these tensions have already spilled out into outlying low income neighborhoods that are recipients of the by-product of reinvestment. An example is the present dispute over

---

<sup>40</sup>Michael L. Lang, Gentrification Amid Urban Decline (Cambridge, Mass.: Ballinger Publishing Co., 1982), pp. 13-14.

<sup>41</sup>L. Bennetts, "The Philadelphia Story-Updated," New York Times Magazine, May 10, 1981, p. 62.

the proposed relocation of a city sanitation sub-station. Grant Park is located in Neighborhood Planning Unit W (NPU-W). City officials, under pressure from new residents, finalized arrangements to have a sanitation sub-station moved from Grant Park's Hill Street to the adjoining low income neighborhood NPU-Y (please see Appendix C for City of Atlanta planning units). Most residents of NPU-Y, where the writer lives, had no knowledge about the planned move until city personnel commenced construction of the new sanitation sub-station. Residents of NPU-Y and members of the South Side Concerned Citizens immediately obtained several signatures to a petition that was presented to the officials at City Hall to protest against the relocation of the sanitation sub-station in their area. At the time of writing, pressures from the neighborhood groups have resulted in the issuing of an injunction by the court that temporarily halted construction of the sanitation sub-station. In a conversation with one of the residents of NPU-Y, the resident stated that the episode gives him good reason to hate everyone behind the sanitation sub-station idea, including the mayor.

The dispute over the relocation of a sanitation sub-station from Grant Park suggests that despite its advantages, reinvestment is no panacea for the problems of poverty that plague many inner city residents; rather, the problem of poverty is simply shifted to other parts of the metropolitan area, thus resulting in neighborhood resegregation.

During the past two or more decades, many inner city neighborhoods became segregated with a disproportionate share of



poor and minority groups composing the population. The bulk of the middle-class moved to adjacent areas, and then to the far suburbs. With the trend towards reinvestment, however, some inner city neighborhoods are attracting the affluent back with the resulting gradual shift of the poor to other neighborhoods. The irony of this is that: earlier residents moved out of the city as their incomes rose; the current residents, however, are being forced out regardless of their ability to afford replacement housing.

For Grant Park reinvestment induced in-migration can ultimately result in a pattern of social and racial resegregation that means the out-migration of mainly blacks and poor whites. This pattern is strongly supported by Michael Lang, who states that:

Free market housing makes it nearly impossible for the rich and poor to coexist. It does not prevent the integration of racially distinct but economically similar family units. However, recent census reports on black urbanization patterns confirm that middle-class black families are demanding housing styles and community attributes that preclude their interest in living in center city middle-class areas. As a result, gentrified areas do not attract minority households and a fully gentrified neighborhood is a remarkably uniform neighborhood, filled with white middle-class people from a narrow economic range.<sup>42</sup>

---

<sup>42</sup>M. Lang, Gentrification Amid Urban Decline, p. 16.

## VII. CONCLUSION

Utilizing yearly mortgage sales data, this study has established the fact that a significant amount of reinvestment has occurred in Atlanta's Grant Park neighborhood. This reinvestment has brought both advantages and disadvantages to the neighborhood and the city. An advantage to the neighborhood is the end to red lining that has deprived it of private capital for housing purchases and renovation. This end to red lining has led to the purchase and rehabilitation of a large number of Grant Park homes. This upgraded housing has contributed to improving the property tax base for the city and as well as improving the neighborhood's image.

However, reinvestment has resulted in some disadvantages as well. Housing occupancy data indicate that renters are being displaced, and it is certain that previous and current low-income homeowners will later be displaced as reinvestment gains momentum. Reinvestment has resulted in the spatial resegregation of the different income groups and has contributed to social class and racial tension.

Finally, this study's findings lead to the conclusion that unfettered reinvestment that accompanies or is associated with gentrification in a free market may result in disadvantages that can offset the advantages and also place an insurmountable burden on the low income groups within the neighborhood.

### Recommendations

Given the disadvantages associated with reinvestment, it is necessary that measures be adopted to arrest these problems. The most challenging problem of reinvestment involves the displacement of low-income families. Measures aimed at addressing the displacement problem will also help curb neighborhood resegregation and tensions.

Although the disadvantages extend beyond the boundaries of the immediate reinvesting neighborhood, many authors support the utilization of neighborhood-based and local government strategies to counter the problem. Phillip Clay, a noted observer of neighborhood change, states that:

Most of the difficult choices as well as the opportunities in neighborhood renewal exist at the local level.<sup>43</sup> There is no grand policy for renewing neighborhoods.<sup>43</sup>

The following recommendations are made to hopefully counteract the problems associated with reinvestment at Grant Park:

(1) The city should apply regulations and programs that will buffer the neighborhood against the intensification of displacement, such as (a) more stringent rent control laws; (b) antisolicitation ordinances; and (c) the application of speculative taxes designed to reduce profit on real estate transactions so that quick turnover and excessive gains are discouraged.

(2) There is need for city-wide support to minimize and prevent displacement and help coordinate efforts at the neighborhood level. A city-wide coalition can enable various neighborhood

---

<sup>43</sup>Phillip Clay, Neighborhood Renewal, p. 87.

groups to work with local government, and therefore encourage cooperation among the affected groups. Strategies such neighborhood-based organizations can adopt include: (a) identifying displacement and making the case that reinvestment is having detrimental effects on neighborhood supply of low-income housing; (b) getting the information out to educate and mobilize other residents.

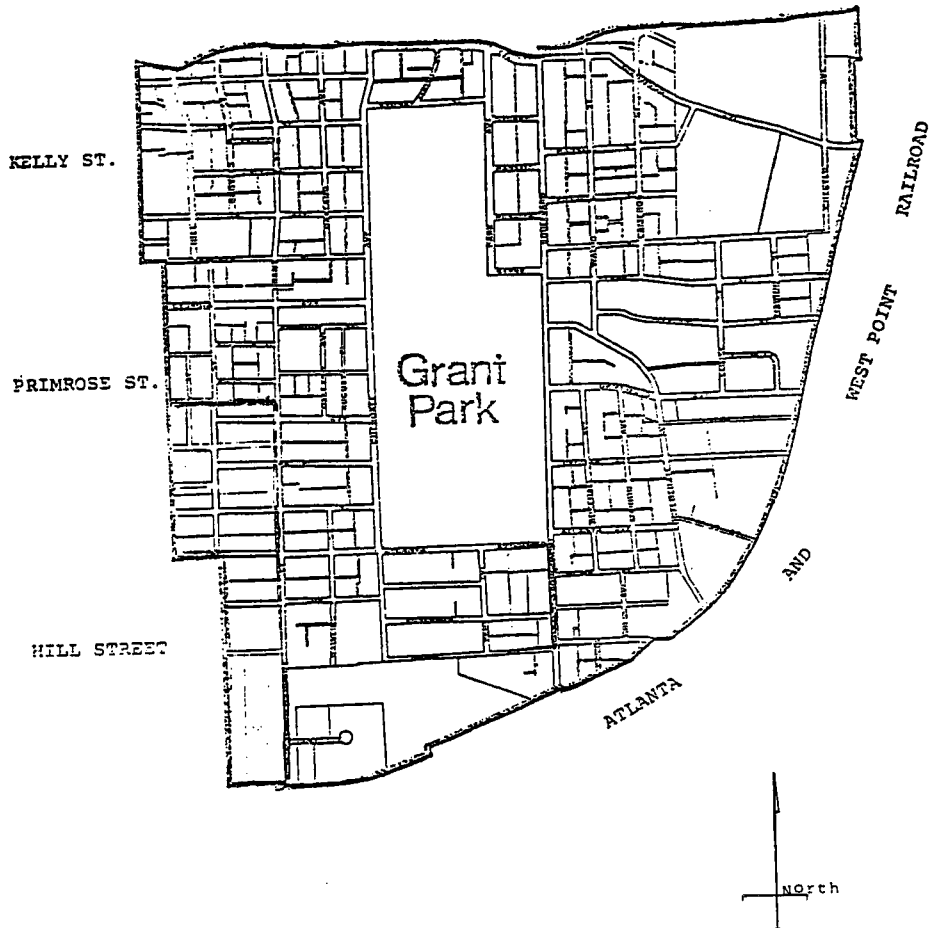
It is essential to identify and address displacement as a race and economic issue. Hence, there is need to preserve low-income housing stock in Grant Park and other urban areas undergoing reinvestment. This need can be undertaken by a federal agency such as the Department of Housing and Urban Development.

APPENDIX A  
GRANT PARK NEIGHBORHOOD MAP

APPENDIX A

GRANT PARK NEIGHBORHOOD MAP

INTERSTATE 20



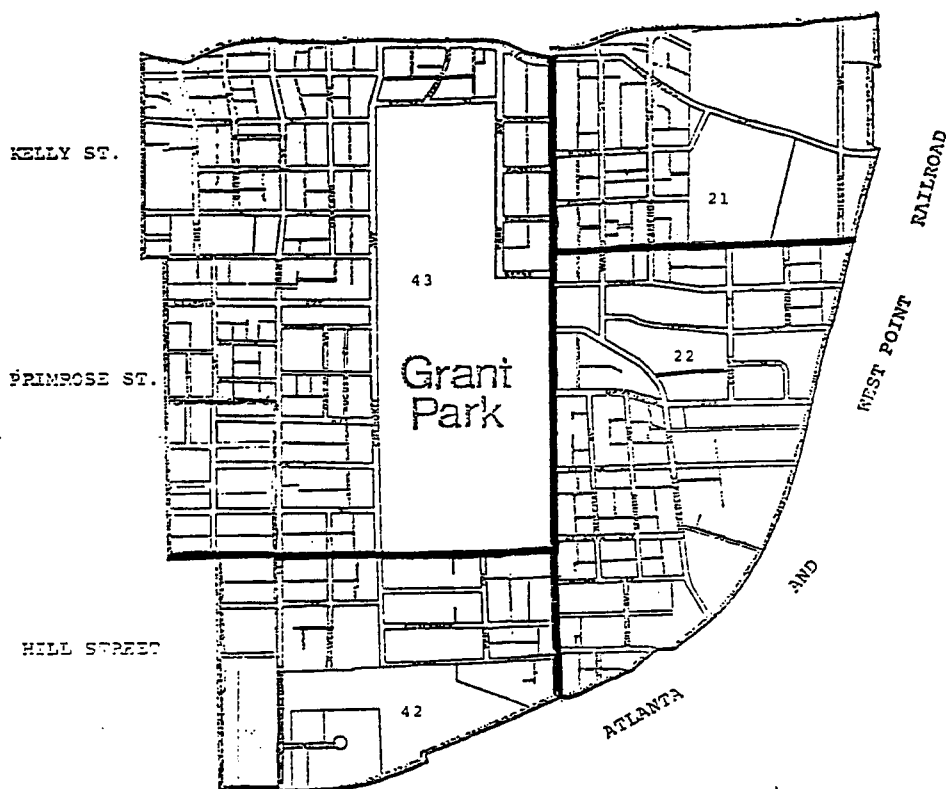
APPENDIX B

GRANT PARK MORTGAGE LISTINGS MAP

## APPENDIX B

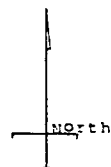
## GRANT PARK MORTGAGE LISTINGS MAP

INTERSTATE 20



DISTRICT 14

LAND LOTS 21, 22, 42, 43.

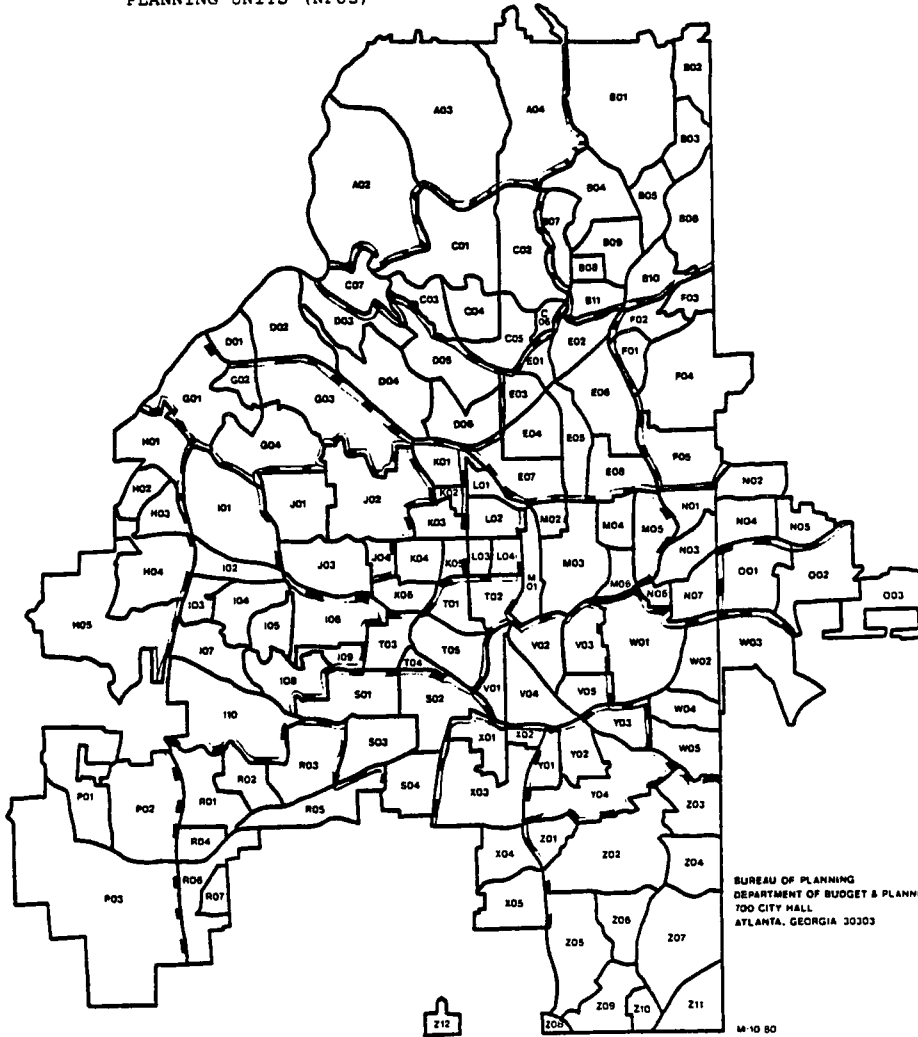




APPENDIX C

CITY OF ATLANTA NEIGHBORHOOD PLANNING UNITS (NPUs)

CITY OF ATLANTA NEIGHBORHOOD  
PLANNING UNITS (NPUs)



## BIBLIOGRAPHY

- Allman, T. D. "The Urban Crisis Leaves Town," Harper's. December 1978.
- Babbie, Earl. The Practice of Social Research. Belmont: Wadsworth Publishing Co., 1982.
- Banfield, Edward C. The Unheavenly City Revisited. Boston: Little Brown and Company, 1974.
- Black, Thomas. "Private Market Housing Renovation in Central Cities, A U.L.I. Survey," Urban Land (November 1975).
- Clay, Phillip. The Neighborhood Renewal Game: Middle Class Resettlement and Incumbent Upgrading in the 1970's. Lexington: D. C. Heath, 1979.
- \_\_\_\_\_. Neighborhood Partnerships in Action: An Assessment of the Neighborhood Housing Services Program and Other Selected Programs of Neighborhood Reinvestment. Washington, D.C.: Neighborhood Reinvestment Corporation, August 1981.
- Downs, A. and Lachmann, J. L. "The Role of Neighborhoods in the Mature Metropolis," prepared for Symposium on Challenges and Opportunities in the Mature Metropolis. St. Louis, June 6-8, 19 .
- Forman, Robert E. Black Ghettos, White Ghettos and Slums. Englewood Cliffs, N. J.: Prentice-Hall, 1971.
- Goetze, Rolf. Neighborhood Monitoring and Analysis: A New Way of Looking at Urban Neighborhoods and How They Change. Washington, D.C.: Office of Policy Development and Research, U.S. Department of Housing and Urban Development, 1980.
- Grier, George and Eunice. "Urban Displacement: A Reconnaissance," Report prepared for the U.S. Department of Housing and Urban Development, March 1978.
- Grigsby, W. G. Re-Thinking Housing Policy. Philadelphia: University of Pennsylvania Press, 1980.
- Lang, Michael L. Gentrification Amid Urban Decline. Cambridge: Ballinger Publishing Co., 1982.

Meek, C. H. "Public Displacement from 1952-1977," Working Paper, Office of Community Planning and Development, U.S. Department of Housing and Urban Development, 1978.

National Urban Coalition. Displacement: City Neighborhoods in Transition. 1978

National Urban Coalition. Neighborhood Transition without Displacement. 1979.

Nenno, M. K. and Brophy, P. C. Housing and Local Government. Municipal Management Series, 1982.

Rosenthal, Donald B. Urban Revitalization. Sage Publications, Inc. Urban Affairs Annual Reviews, Vol. 18, 1980.

Sternlieb, G. and Hughes, J. W. "New Regional and Metropolitan Realities of America," Journal of the American Institute of Planners (July 1977).

U.S. Department of Housing and Urban Development. "The Conversion of Rental Housing to Condominiums and Cooperatives." Washington, D.C.: Government Printing Office, 1980.

\_\_\_\_\_. Creating Local Partnerships: The Role of the Urban Reinvestment Task Force in Developing Neighborhood Housing Services Organizations. Office of Policy Development and Research. March 1980.

\_\_\_\_\_. Describing Target Neighborhoods: Neighborhood Housing Services, 1978. Office of Policy Development and Research. April 1980.

\_\_\_\_\_. Displacement Report. Office of Policy Development and Research. February 1979.